

CLASPupdate

Volume 18
Number 5/6
May/June 2005

CENTER FOR LAW AND SOCIAL POLICY

Missed Opportunity in Early Education Funding?

Finding sufficient funding to make high-quality preschool programs available to all children is a pressing issue for many policymakers. For the last decade, research has consistently demonstrated that high-quality early education programs that are designed to support the full range of children's development can have long-term positive implications on later school success. A new report from CLASP, *Missed Opportunities: The Possibilities and Challenges of Funding High-Quality Preschool through Title I of the No Child Left Behind Act* by Danielle Ewen, Jennifer Mezey, and Hannah Matthews, highlights a source of early education funding and the opportunities and challenges in accessing it.



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In 1980, there were only 10 state pre-school programs; now at least 38 states and the District of Columbia have one or more preschool initiatives. Most state programs are part-day, part-year, and targeted to a limited number of four-year-olds based on family income or other risk factors for school success. In addition, many local communities have contributed resources to state programs or have started their own programs to help children succeed when they enter the K-12 system. At every level, underfunded schools and communities have driven policymakers to look to a variety of funding streams, including Title I of the Elementary and Secondary Education Act (ESEA), to

expand the availability and quality of preschool programs for three- and four-year-old children, especially those at risk of school failure.

While much research has examined state spending on preschool programs, little research has examined how other funding streams are used to support preschool. It is clear that the majority of funding programs often looked to for additional support are limited in scope; generally are designed to serve other goals; and have been subject to flat funding or have been cut. In comparison, the No Child Left Behind Act (NCLB), which authorizes Title I of ESEA, has seen some increases in funding and may therefore provide a viable opportunity to expand high-quality preschool programs for at-risk children. Title I, Part A of ESEA is primarily intended to provide funding for elementary and secondary education. Although there is no specific designated funding source for preschool services within Title I, Part A, these funds may be used for

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Policy Potpourri

CLASP has recently released short, easy-to-digest publications on a range of topics, including child support, the Higher Education Act, and child care. Following are synopses of these publications.

Child Support Program's Success

The Child Support Program: An Investment That Works by Vicki Turetsky is a primer on the benefits the federal child support program brings to low-income families. In 2003, the child support program served 17.6 million children and collected \$20.1 billion in private child support dollars. Next to the mothers' earnings, child support is the second largest income source for poor families receiving child support. Among families receiving support in 2001, families below poverty received an average of \$2,500 in support, or 30 percent of total family income. The research shows that child support performance and funding levels are directly related. Increased investment of federal and state dollars since 1996 has contributed to improved performance. The more effective the child support program, the higher the savings in public assistance costs.

Uniform Parentage Act

The Uniform Parentage Act (UPA) provides a comprehensive framework for establishing the parentage of chil-

dren born to both married and unmarried couples. The UPA was revised in 2002, and six states have enacted it in some form. *Update on the Uniform Parentage Act (2002)* by Paula Roberts describes the most recent iteration of the UPA and provides a table that compares major provisions of the model act to state enactments and variations.

Higher Education Act Priorities

Making HEA an Engine of Economic Productivity and Worker Prosperity is a joint publication of the National Consumer Law Center, CLASP, and the Workforce Alliance. This brief document discusses how the Higher Education Act (HEA) can be modernized through reauthorization to support economic development and meet the needs of business and workers. The skill requirements of today's and tomorrow's jobs continue to rise—by 2020 it's estimated that 15 million new jobs will require college preparation. This paper suggests ways Congress can better align HEA with the needs of employers and the realities of working adults' lives.

Child Care Funding

In March, the Senate Finance Committee passed its Temporary Assistance for Needy Families (TANF) reauthorization bill—the bipartisan PRIDE bill—that includes \$6 billion in new federal funds for child care assistance. The bill recognizes the important role that child care plays in helping families reach self-sufficiency. *The Senate's \$6 Billion Child Care Provision: A Critical, but Modest, Investment* by Danielle Ewen explains why this increase is crucial. Child care funding has been flat for four years, causing low-income working families to lose child care assistance they need to find and keep jobs and forcing states to limit access to assistance, increase family fees, and cut investments in quality. Some have questioned whether the \$6 billion figure is more than is needed. This paper explains that, to the contrary, \$6 billion would merely pay for the cost of keeping pace with inflation in child care over the next five years and would meet the cost of a limited increase in TANF work participation requirements.

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The Center for Law and Social Policy (CLASP), a national, nonprofit organization founded in 1968, conducts research, legal and policy analysis, technical assistance, and advocacy on issues related to economic security for low-income families with children.

CLASP Update is published monthly.

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The Intersection Between Social Security and Children

Most people think of Social Security solely as a retirement safety net, but the program also serves as an “insurance program” for the children of workers who become seriously disabled or die. CLASP had the opportunity to talk with Nancy K. Cauthen, Ph.D, Acting Deputy Director of the National Center for Children in Poverty, on the intersection between Social Security and children.

CLASP: What proportion of Social Security payments go to families with disabled workers or to survivors of workers who die?

Nancy: Of the 48 million Americans who currently benefit from Social Security, 15 million receive benefits through the survivor and disability components of the program. Stated another way, one in three Social Security beneficiaries is not a retiree.

About 13 percent of recipients are severely disabled workers and their spouses, and another 10 percent are the

surviving spouses of workers who have died. Children comprise 8 percent of Social Security beneficiaries.

In short, Social Security is a family insurance program, not a pension plan. In President Roosevelt’s words, Social Security was designed to assure “the security of the men, women, and children of the nation against certain hazards and vicissitudes of life.”

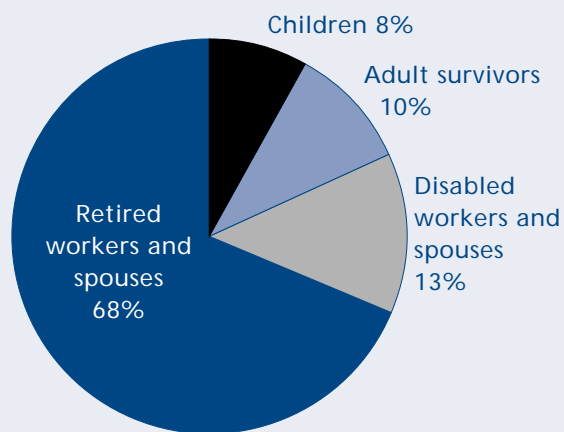
CLASP: What are the effects of Social Security on children, including child poverty?

Nancy: Social Security is in fact the government’s largest children’s program, paying out roughly \$16 billion annually to child beneficiaries under age 18. More children benefit from Social Security than from Temporary Assistance for Needy Families (TANF). About 3.1 million children under age 18 receive benefits because a parent has died, retired, or can no longer work because of disability. Another 2.2 million children live in households with a relative who receives Social Security benefits. In total, over 7 percent of American children under 18 currently benefit from Social Security.

In terms of child poverty, a recent report from the Center on Budget and Policy Priorities indicates that one million children under age 18 were lifted out of poverty by Social Security in 2002—that’s more than any other program except the federal Earned Income Tax Credit (EITC). One of the report’s most striking findings is that *Social Security has a greater impact on child poverty than the EITC when the breadth and severity of poverty is considered*. In some ways, this comparison is more meaningful because it is based on the aggregate effect of Social Security or EITC benefits on the incomes of poor families with children—not just the number of children lifted above the poverty level.

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Social Security Beneficiaries by Type, December 2004



Note: Percentages may not add to 100 because of rounding.

Source: U.S. Social Security Administration, Office of the Chief Actuary. (2005). Fact sheet on the old-age, survivors, and disability insurance program. Washington, DC: Author.

Fond Farewell to Nisha and Steve

CLASP Senior Policy Analyst Nisha Patel is leaving CLASP to be a Program Officer at the Washington Area Women's Foundation, a community-based, public foundation dedicated to increasing the resources and leadership opportunities for low-income women and girls in the Washington Metropolitan Area. Nisha has worked at CLASP for the last five years, focusing on work supports for low-income families, Temporary Assistance for Needy Families (TANF) reauthorization, tribal TANF, microenterprise lending for TANF recipients, and implementation and reauthorization of the Workforce Investment Act (WIA). Prior to her work here, she worked at the Project for the Future of Equal Justice, a project CLASP conducts with the National Legal Aid and Defender Association.

"Nisha has not only been a leader at CLASP, but she has provided an invaluable insight and perspective into our work," said Alan W. Houseman, CLASP Director. "Nisha was a personal and professional friend during the seven years we have worked together. I am both sad that she is leaving and pleased that she is moving into a new job with new responsibilities."

Senior Staff Attorney Steve Savner is also leaving CLASP. For the past two years, Steve has been on sabbatical, working at the Center for Community Change, where he is now taking a permanent position as Senior Fellow. Steve directed CLASP's workforce development work for the past 10 years. He has worked tirelessly on TANF reauthorization and implementation, on the creation of WIA and its implementation, and on the creation of transitional jobs programs throughout the country.

"Steve has been one of our most effective and creative advocates since he joined CLASP over 10 years ago," said Houseman. "He brought a wealth of knowledge on welfare reform, job training, and employment issues to CLASP and helped develop some of our most exciting and effective work."

Nisha's last day at CLASP was May 20, 2005. Steve's last day was May 13, 2005. ■

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In addition, Administration representatives have suggested that enacting the Administration's Temporary Assistance for Needy Families (TANF) reauthorization proposal would free up \$2 billion for states to use for child care. A recent analysis from CLASP, *Administration's TANF Proposal Would Not Free Up \$2 Billion for Child Care* by Mark Greenberg and Hedieh Rahmanou, explains the proposed change and why it would not result in an additional \$2 billion becoming available for child care.

Head Start

In 2004, 13 percent of the children in Head Start and Early Head Start (more than 134,000 children) were diag-

nosed with a disability. Without Head Start, some of these children might have gone undiagnosed, leaving their disabilities unaddressed for years. *Preparing for Success: How Head Start Helps Children with Disabilities and Their Families* by Danielle Ewen and Katherine Beh Neas, a joint venture between CLASP and Easter Seals, updates data from a 2003 paper of the same title. It details the requirements that Head Start grantees must meet to serve children with disabilities and provides data on how the programs are meeting them. ■

■ To view any of these documents, visit www.clasp.org

CLASP's WIA Recommendations

Congress has been working on legislation to reauthorize the Workforce Investment Act (WIA), the federally funded job training and employment services program. In March, the House passed its WIA reauthorization bill, H.R. 27. In January, Senator Enzi introduced S. 9, the Senate's WIA reauthorization bill. CLASP has released two documents that provide WIA policy recommendations for the provisions of the law affecting disadvantaged adults and those affecting high-risk youth. CLASP also released an analysis of the Administration's consolidation and WIA Plus proposals.

CLASP recommends the following changes to WIA to encourage better participation of disadvantaged adults:

1. Promote greater access to training.
 - Eliminate sequential eligibility and allow individuals to receive intensive and training services in any sequence determined appropriate.
 - Encourage use of WIA funds for training.
2. Improve performance measures.
 - Improve adjustment of performance measures by incorporating the language contained in S. 9 into this year's Senate WIA reauthorization bill.
 - Require that performance measures take into account job quality.
3. Address the needs of adults with limited English proficiency.
 - Add limited English proficient individuals to the list of hard-to-serve populations and add assessment of English proficiency to the list of core services.
 - Encourage programs to combine adult education, ESL, and job training.
4. Improve opportunities for TANF-WIA coordination.

To better serve at-risk youth through WIA, CLASP recommends the following changes:

1. Target the funds to where the need is the greatest.
 - Change the sub-state allocation formula for youth funds to distribute the funding to where the need is the greatest.
 - Require the Secretary of the U.S. Department of Labor to include factors reflecting youth distress in the award of Youth Challenge Grants.
2. Retain service to both in-school and out-of-school youth. Greater service to out-of-school youth should not be at the expense of in-school youth.
 - Requirements for increased service levels to out-of-school youth should be triggered by increases in appropriations in youth formula funds.
3. Keep youth councils mandatory.
 - Maintain mandatory youth councils but refocus their role on strategic planning, oversight, and coordination.
4. Refine the eligibility requirements for out-of-school youth to ensure that the most vulnerable youth receive services.
5. Incorporate adjustment factors into the performance measures.
 - State and local youth standards should be adjusted to take into account drop-out status, offender status, teen parenting, foster care status, and limited English proficiency of the participants enrolled.
 - Expand the literacy and numeracy gains measure with a category that measures academic progress more broadly.
6. Allow youth to access core services from the one-stop.
 - Include all youth 16 and older as part of the universal population eligible for core services at the one-stop centers.

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CLASP: The President has proposed allowing workers to divert some Social Security payments into private accounts. How would this potentially affect children?

Nancy: Unfortunately, in the absence of a specific plan, there's no way to know, especially since the survivor and disability components of Social Security have barely been acknowledged by policymakers or the media. But the President has now proposed a combination of private accounts and benefit cuts. Younger workers who become disabled or die would not be able to accumulate sufficient assets in a private account to provide the same level of insurance protection currently offered by Social Security. Given that Social Security's retirement, survivor, and disability benefits are all calculated using a single formula, it's hard to imagine a scenario under which retirement cuts would *not* result in cuts in survivor and disability benefits as well.

The only way to hold harmless children, survivors, and the disabled would be to radically alter the entire structure of Social Security. One possibility would be to separate out the retirement component, but that would raise serious questions about how to finance other benefits. And what would happen to political support for such benefits? Children can't vote, so it's not likely that the level of protection currently provided to them by Social Security would be preserved.

CLASP: Is there any way to quantify those protections?

Nancy: Social Security is the primary, if not the only, source of life and disability insurance for many American families, especially those headed by younger workers and those working for low wages. Nearly half of all private sector employees do not have life insurance provided by their employers, and nearly three quarters do not have long-term disability protection through their employers. Social Security provides a young worker with a young spouse and two young children the equivalent of a life insurance policy with a face value of about \$400,000 and a long-term disability insurance policy with a face value of \$350,000.

How likely is it that an individual family will end up needing these protections? According to the Social Security Administration, 3 out of 10 of today's 20-year olds will become disabled before retirement and 1 out of 7 will die. No one wants to think about it, but we're all at risk for unexpected tragedy; we're all vulnerable. And Social Security is currently the best protection that most parents have to offer their children. ■

■ For more information on this topic, see the National Center for Children in Poverty's Social Security resources at www.nccp.org.

CLASP has also written about the Administration's proposed two WIA reauthorization initiatives that would effectively eliminate requirements that existing employment and training funding streams be targeted for populations and purposes specified by Congress. The first proposal would require states to consolidate funding for the following programs: WIA adult, WIA dislocated worker, WIA youth, and the Employment Service. The second proposal—called WIA Plus—would give governors the option for unprecedented, broad waiver authority and allow for consolidation of a range of federal programs, including: Adult Education, Vocational Rehabilitation,

Trade Adjustment Assistance, Food Stamps Employment and Training, and Veterans Employment. In *Senate WIA Reauthorization Bill Should Not Adopt the Administration's Consolidation or WIA Plus Proposals*, Nisha Patel outlines why the Senate should reject both proposals in its WIA reauthorization bill. ■

■ To view *Recommendations for Senate WIA Reauthorization Legislation: Title I Provisions Affecting Disadvantaged Adults*, visit: www.clasp.org/publications/wia_recs_040705.pdf.

To view *Recommendations for Senate WIA Reauthorization: Title I Provisions Affecting Youth*, visit: www.clasp.org/publications/2005_wia_youth_comments.pdf.

preschool services for at-risk children within Title I-funded schools and school districts, at the discretion of the school or school district. Although states and localities have not spent large amounts of Title I funds on preschool services, because these funds are primarily intended to meet the needs of older children, expenditures for children from birth to age five have been allowable since the law's enactment in 1965.

Among the benefits of using Title I funds for preschool are:

- They can reach children who are at risk but are in families with income above the poverty level;
- They must be used to provide high-quality programs that meet the Head Start educational standards;
- They can be used for comprehensive services that are needed to prepare at-risk children for school success;
- They can go beyond school-based programs to serve children in other early childhood settings within the community;
- They can be used to screen children to determine whether they are at risk and to make services available; and
- They can be used for professional development for teachers working with young children at risk of school failure.

Although Title I funds can be used to support preschool programs at the discretion of local school districts and schools, it is unclear how available these funds will be in future years. NCLB, which reauthorized ESEA in 2001, has placed new accountability requirements and mandates on states and local school districts and created new requirements for some of the discretionary funds available to schools and school districts. NCLB increased the authorization level for Title I funding and the Administration and Congress have provided new funds—but the level of these funds has not matched the increased authorization levels. (ESEA funding must be appropriated annu-

ally, meaning that while the ESEA legislation authorizes a certain funding level, Congressional appropriators actually decide how much funding the program will get, and may set levels equal to, above, or below the level set by the authorizing legislation.) As a result, there may be fewer Title I funds available for “discretionary” purposes, such as funding preschool programs, and more competition for those funds.

This paper examines the availability of Title I funds for preschool programs from both a legal and practical perspective. First, it provides general background on ESEA and the changes that were made to it in the NCLB legislation. Second, it provides data on states' use of Title I funds for preschool. Third, it examines the U.S. Department of Education's statutes, regulations, and guidance on the use of Title I funds for preschool and raises some unanswered questions. Finally, it discusses how the implementation of NCLB affects the availability of Title I funding for preschool programs.

The paper ultimately concludes that Title I is a flexible and useful funding source for preschool, serving over 300,000 disadvantaged and at-risk children. However, a lack of data and research at the national and state level complicates our ability to understand the degree to which Title I has been used and the purposes for which it is used. Furthermore, given the evidence that preschool helps prepare children to succeed in school, states and districts could reap long-term benefits from serving younger children with these funds by eventually narrowing the achievement gap between disadvantaged and less disadvantaged students. However, insufficient overall funding for NCLB, coupled with its legislative mandates, could make it more difficult for states to prioritize the use of Title I funds for preschool services in the future. ■

■ To view the report, visit: www.clasp.org/publications/missed_opp.pdf. To receive a hard copy of the report, call CLASP at (202) 906-8000.

CLASP Audio Conferences in June and July

Fridays 12:30-1:30 pm (ET) with Host Jodie Levin-Epstein

JUNE 17, 2005

PAID SICK DAYS: DEVELOPMENTS IN THE U.S. AND LESSONS FROM ABROAD

About half of all U.S. workers have no paid sick days. The Healthy Families Act, which has been introduced in Congress, proposes a minimum of seven sick days for full-time workers and a pro rata share for part-time workers. Some state legislators are also introducing bills of a similar nature. Why are sick days important to both workers and businesses? What is likely to happen in Congress and state legislatures? Guests for this audio conference include: Senator Edward M. Kennedy, D-Massachusetts (participating if Senate schedule permits); Jodi Grant, Director of Work & Family Programs and Policy National Partnership for Women and Families; and Anne Paulsen, State Representative, Massachusetts State Legislature.

JULY 15, 2005

SURE START: LESSONS FOR THE U.S. FROM UNIVERSAL PRE-K IN THE U.K.

In the U.K., the government's Sure Start program aims to ensure delivery of free early education for all three- and four-year-olds; affordable, quality child care and after school activities; and health and family support to disadvantaged areas where it is most needed. It also works with parents on their employment goals and their goals for their children's education. What are the current findings about the program? How does financing work? What are the program, policy, and political lessons for the U.S.? Guests for this audio conference include: Naomi Eisenstadt, Director, Sure Start Unit, Department for Education and Skills, London and Mark Greenberg, Director of Policy, CLASP.

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